

Business Situation

- Foster Rosenblatt was engaged to develop a forecast of a small molecule drug asset to determine its value and support an assessment of a financing transaction for the product
- A detailed analysis of the current competitive landscape & potential future entrants was required

Approach & Methodology

- Conducted secondary research to assess the epidemiology, current landscape, treatment algorithm and development pipeline
- Performed a detailed analysis of historical financial statements provided by the client, including historical sales revenue, Medicaid/Medicare allowances, discounts/rebates and GTN
- Developed a comprehensive analysis, utilizing analogues, on the competitive impact of loss of exclusivity as well as entry & pricing of generic or authorized generic products into the market
- Conducted follow-up primary market research with 3 specialists to validate forecast and competitive impact assumptions built into the forecast model

Deliverables & Business Outcomes

- A comprehensive PowerPoint report summarizing primary and secondary research findings, a competitive landscape assessment and detailed forecast assumptions
- An Excel-based forecast model containing sales revenue forecast for two different scenarios; one scenario for the entry of generic competition and the other for no generic competition

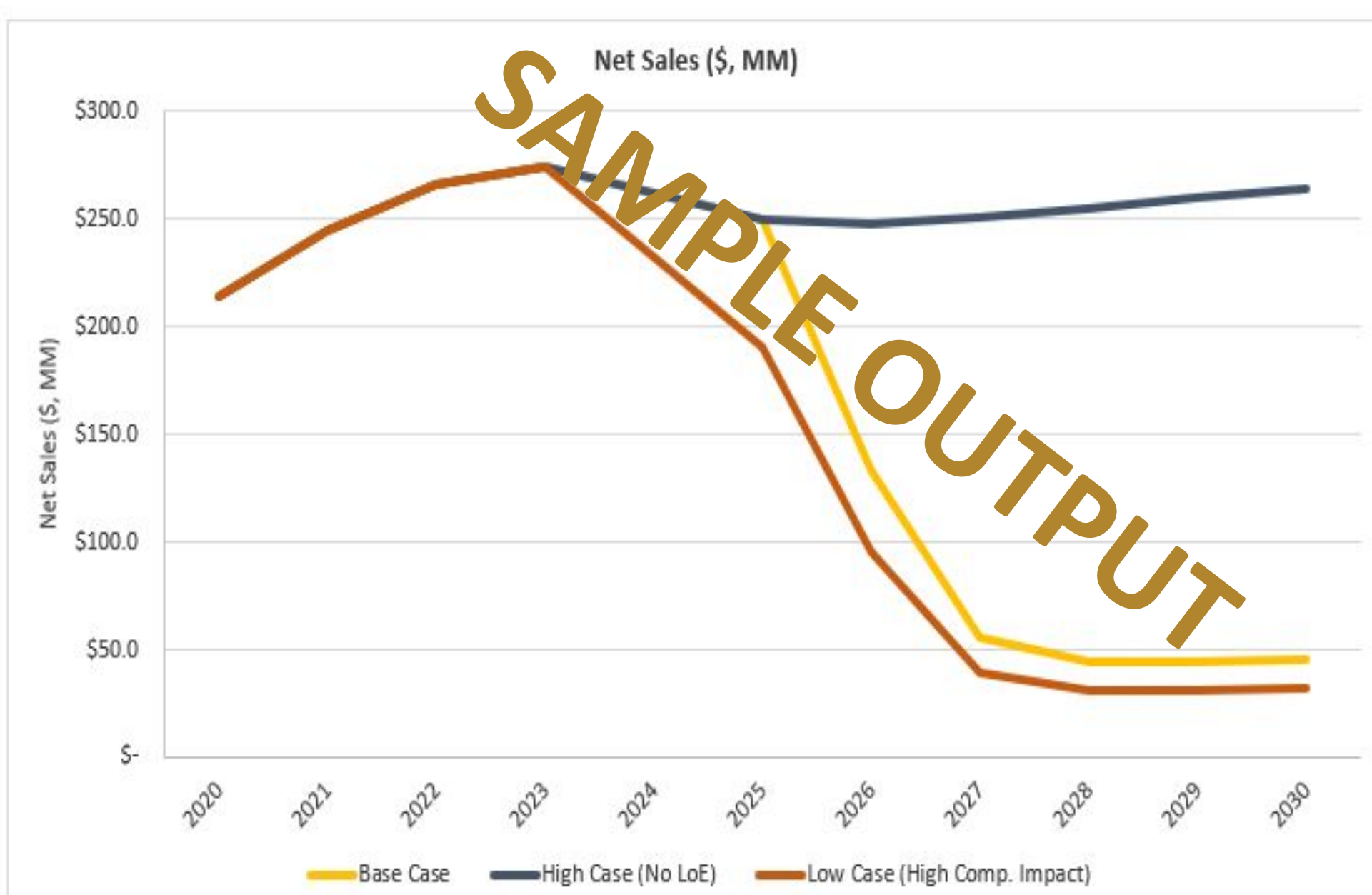
Baseline Forecast

ForecastPro™ projected Product X volume (units) based on the last 12 months of data, which resulted in a flat-to-slightly declining trend

- The ForecastPro™ software evaluates the whole input dataset (from Jan. 2009 to Jun. 2021) and detects the most appropriate period to trend the data forward by looking at distinct changes of any trends
- Without intervention, ForecastPro™ used the period from Aug. 2020 to Jun. 2021 to project the demand forward, which resulted in a very slight downward forecast (orange line)
- FIR also used ForecastPro™ to project the demand for Product X and its AG separately, and aggregated them in a bottom-up demand forecast for Product X, which show a slight upward forecast (blue line), the average is a flat trend for the overall molecule



Net Sales (\$, MM)	2020	2021	2022	2023	2024	2025	2026
Base Case	\$ 214.0	\$ 244.9	\$ 266.2	\$ 273.9	\$ 261.6	\$ 249.2	\$ 132.8
High Case (No LoE)	\$ 214.0	\$ 244.9	\$ 266.2	\$ 273.9	\$ 261.6	\$ 249.2	\$ 247.5
Low Case (High Comp. Impact)	\$ 214.0	\$ 244.9	\$ 266.2	\$ 273.9	\$ 232.2	\$ 190.6	\$ 95.2



Parameter Selection
Net Sales (\$, MM)